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Advertising Age Thursday

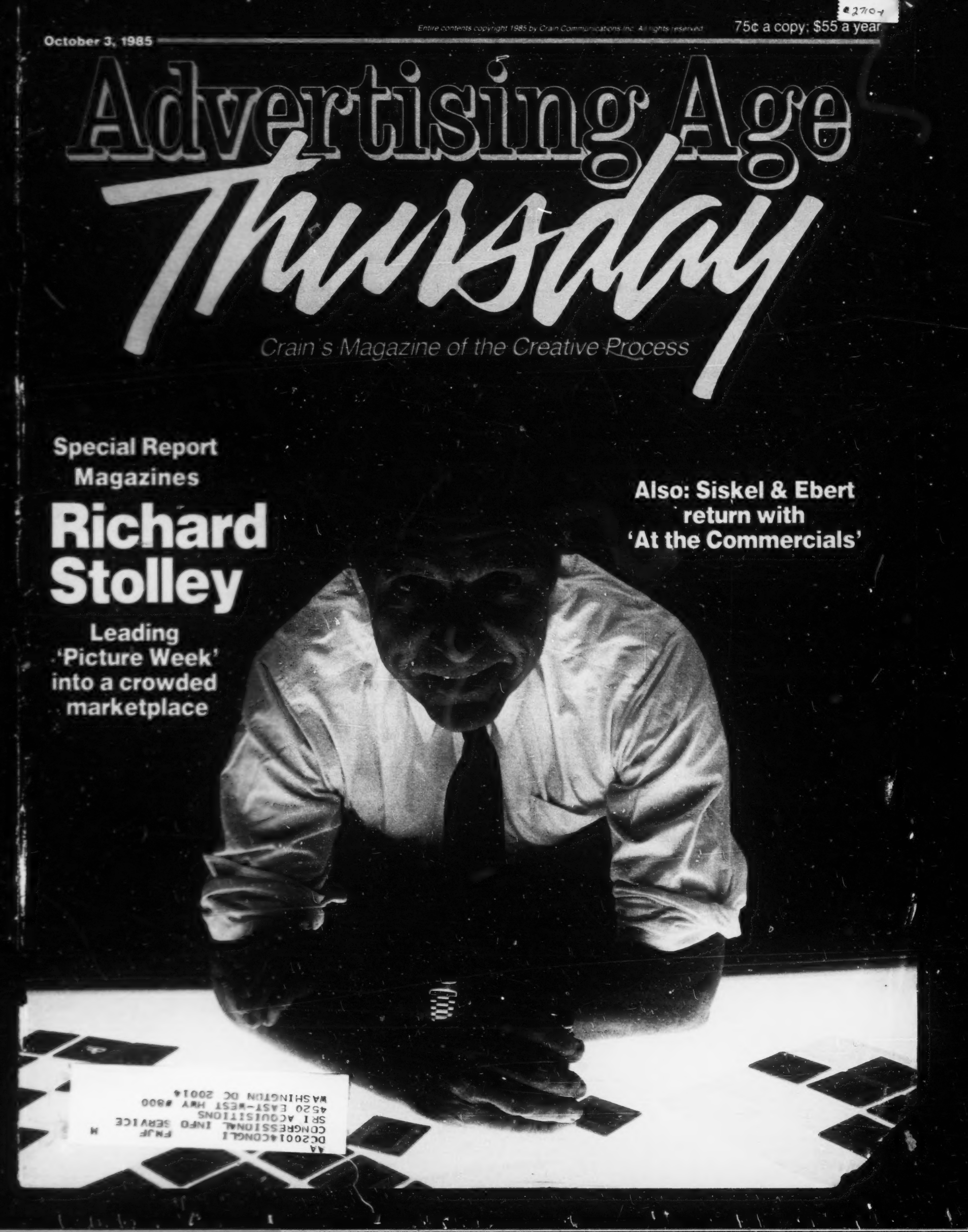
Crain's Magazine of the Creative Process

Special Report
Magazines

Richard Stolley

Leading 'Picture Week' into a crowded marketplace

Also: Siskel & Ebert return with 'At the Commercials'



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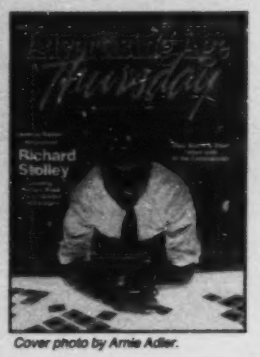
Thursday

Stolley's time has come

Richard Stolley is watching the debut of his brainchild, *Picture Week*, in a 13-city test, which began Sept. 23 and is to run through yearend. If Time deems test results satisfactory, it would begin early next year a national roll-out of the self-styled "magazine of news and human interest." Estimates of the price tag for introducing what would be the company's eighth magazine run from $10 million to $20 million. *See Page 20.*



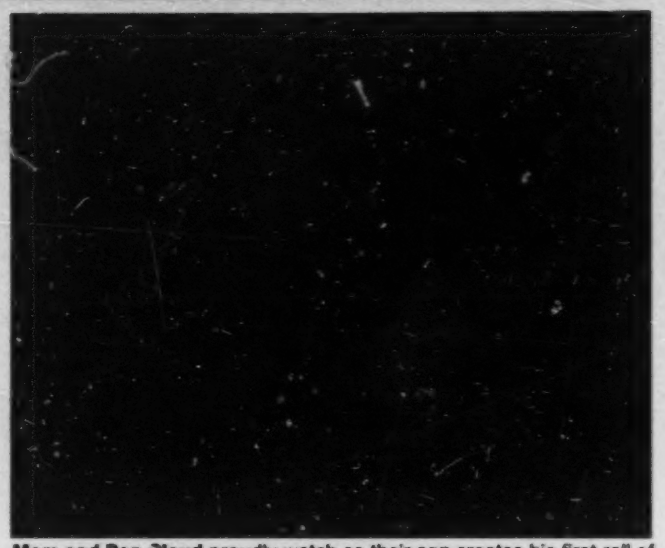
Cover photo by Arnie Adler.

Saatchi

Procter & Gamble's gentle attempt to break away from its traditional pattern of campaign execution *(see story at right)* is being matched, on an agency level, by Saatchi & Saatchi Compton. The agency's new animated commercial for Ivory bar soap, now in test, uses a style resembling that used in ads for Perrier. Strategy is the traditional one for the brand, but the execution represents P&G's continued attempts to break out of some of its executional molds. It's also one of the new spots that Saatchi hopes conveys the same message about the agency. The spot is the lead commercial on Saatchi's new reel, meant to represent work done at the agency under Robert Levenson. *See Page 65.*

Special Report—Magazines

After 10 years of outstanding growth, business is leveling off for the magazine industry, but that doesn't necessarily mean bad news for everyone. *Starting on Page 15.*



Mom and Pop Cloud proudly watch as their son creates his first roll of Procter & Gamble's White Cloud bathroom tissue, in new tv spots from Leo Burnett USA, Chicago.

New P&G ads not always cut from slice-of-life

By Laurie Freeman

Talking cartoon clouds? Bouncing laundry products? Animated bars of soap?

This is the new look of Procter & Gamble advertising, now that the package-goods giant is giving its agencies more freedom to experiment with creative executions.

The current campaign for Bounce fabric softener sheets is a creative breakthrough for Cincinnati-based P&G, some agency executives say. The tv spot, via Benton & Bowles, New York, is set to the Pointer Sisters' pop hit "Jump" (AA, Sept. 16), an appropriately bouncy tune but not the sort P&G's advertising has danced to in the past.

At least three other P&G agencies now feel comfortable enough to try animation instead of the company's traditional live-action, slice-of-life scenarios.

The newest animated P&G commercial, for Ivory bar soap, will air soon in test markets.

The spot, from Saatchi & Saatchi Compton, uses detailed b&w outlines of people washing with Ivory soap. Copy describes Ivory as the soap that's "pure and naturally wonderful," while the line drawings are enhanced with carefully placed splashes of color.

Animation

By the end of the 30-second spot, the animated characters have decided there's nothing better than to "experience Ivory for a real feeling of clean."

"We needed a fresh way to tell a familiar story and animation fit right in," said S&SC president-ceo Ed Wax.

"We're taking advantage of P&G's desire to experiment with different executions, which we both feel will allow us to focus on better creative," Mr. Wax said.

The changes are more evolutionary than revolutionary, with animated spots generally being worked in as one of several executions produced for ongoing campaigns.

Dancer Fitzgerald Sample, for instance, has animated the same basic story line used earlier for a live-action Solo detergent spot.

In both spots, a woman is pictured as having forgotten to add fabric softener to her wash. After running down the stairs, tripping over a cat and begging the washing machine to "please wait," she flings herself against the machine, only to find that she's too late.

The most recent campaign for White Cloud bathroom tissue, from Leo Burnett USA, Chicago, is entirely animated (AA, July 1).

The idea to use animated, talking, puffy white clouds was "a creative cloudburst," said Peter Husting, Burnett exec vp-client services.

"With White Cloud, the idea just burst out of the product's positioning, to emphasize its fullness and softness," he said. "Animated clouds made it easier to talk about the product."

In the campaign, consisting of 30 and 45-second tv spots, two proud White Cloud "parents" watch over their cloud son as he creates his first roll of bathroom tissue. The theme is "The softest and thickest bathroom tissue ever."

Although Burnett has thought about using animation for various P&G products over the years, "it's difficult to fit the animation to a brand," Mr. Husting said.

Neither Mr. Husting nor S&SC's Mr. Wax believes P&G is in the midst of an animation trend, but they do say the company is looking for new ways to "intelligently sell their products' efficacy."

S&SC executive vp Kit Mill added: "P&G is looking with enthusiasm at stuff they refused to look at before.

"There will still be plenty of typical P&G slice-of-life ads, but more and more there will be some fun stuff." ■

Presstime

Budget returns to tv...

CHICAGO—Budget Rent A Car on Oct. 12 breaks its first network tv spots in several years as part of a $5 million fourth-quarter campaign. Print ads in consumer and trade magazines support. D'Arcy Masius Benton & Bowles handles.

...As Napa winery arrives

YOUNTVILLE, CAL.—Domaine Chandon on Nov. 18 will use tv for the first time with a 30-second spot promoting Chandon Napa Valley Brut sparkling wine. The spot will appear in Los Angeles, Miami, New York and San Francisco during the seven-week, $800,000 campaign. Tatham-Laird & Kudner, San Francisco, handles.

Co-op to Burnett today?

CHICAGO—Assn. of Chicagoland McDonald's Operators is expected today to assign its $8 million-to-$10 million co-op account to Leo Burnett USA, following the withdrawal of the other finalist, Needham Harper Worldwide (AA, Sept. 30).

Van de Kamp's drops shop

LOS ANGELES—Van de Kamp's Frozen Foods has dropped Dilorio, Wergeles, New York, from its $5.5 million ethnic entree account to consolidate all advertising at D'Arcy Masius Benton & Bowles. B&B for the last eight years has handled the $5.5 million seafood account for Van de Kamp's, which is a division of Pillsbury Co., Minneapolis.

Beatrice brings in Bozell

CHICAGO—Beatrice Cos. has moved its $5 million County Line cheese account (AA, Sept. 30) to Bozell & Jacobs from D'Arcy Masius Benton & Bowles. Separately, Beatrice has confirmed that it is seeking buyers for its Avis, Danskin, Pennaco Hosiery and International Jensen units (AA, March 11). Those units have projected 1985 sales of $1.1 billion. Ted Bates Advertising/New York, handles Avis; Grey has Danskin; Rosenfeld, Sirowitz & Lawson has Pennaco, and HBM/Creamer here handles Jensen. Beatrice's stock continued climbing this week, fueled in part by rumors that former Esmark chairman Don Kelly will orchestrate a leveraged buyout.

'USA Today' makes gains

ROSSLYN, VA.—Gannett Co. will report in the Audit Bureau of Circulations FAS-FAX report that paid circulation of *USA Today* for the six months ending Sept. 30 has risen to 1.36 million, up about 5% from a year ago. Combined paid and bulk circulation now exceeds 1.4 million. Gannett has hiked the paper's rate base 7.7%—a b&w page goes to $26,849 and a color page to $33,561. The circulation figure follows by a month the daily's newsstand price hike to 50¢ from 35¢. Circulation losses due to the price increase were averaged in with circulation gains made earlier in the year.

ABP lowers dues

NEW YORK—Assn. of Business Publishers has reduced member dues by 25%, effective with billings for the quarter starting Oct. 1. The move is

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Special Report

Jeffrey Toth

Viewing the future in a new light

By Belinda Hulin-Salkin

These are anticlimactic times for the consumer magazine industry. Newsstand sales are down, ad pages are down, and big-ticket/big-name mergers are almost commonplace.

After 10 years of seemingly limitless growth, capped by a record-breaking 1984, business is leveling off. While no one is predicting gloom, most observers look to the future with a slightly wary eye.

"I think one of the problems with the magazine industry is that we've come through a period of enjoying our success, and now that we've hit a plateau, we forgot how far we've come," says John Mack Carter, editor-in-chief of *Good Housekeeping* and director-magazine development for Hearst Corp., New York.

He says things weren't nearly as bright in 1975 as they are today, and ad revenues still are growing. "When you have that much success, two things happen," he says. "The first is that we begin to take success for granted.

"The second is that we forget how we got here—namely, by exceptionally hard work and in spite of intense competition."

The good news for magazines, Mr. Carter says, is they are getting more serious attention from advertisers than ever before, largely because of the search for network tv alternatives.

According to the Publishers Information Bureau, New York, total consumer magazine ad revenues reached $2.4 billion for the first half of 1985, up 8.2% from 1984, although ad pages were down 1.4% for the same period.

"The industry is coming off of last year's Olympic doings, so the decline is not too surprising," says Marianne Howatson, senior vp-marketing development for the Magazine Publishers Assn., New York.

Ms. Howatson cites a few national advertising categories for which magazine spending is down from last year. Tobacco advertising, for instance, dropped more than $30 million from 1984 for a decline of 15%. Computer advertising is down; liquor advertising is leveling off.

Offsetting those categories, revenue gains were made in the areas of food (up 20% for the first half of 1985, compared with the similar period last year), entertainment (up 27%), snack and soft drink (up 32%), and soap and cleanser advertising (up 62%). Still, the net revenue increase of 8.2% is modest by recent standards.

"From 1982 to 1984 advertising revenues increased 33%," Ms. Howatson says, "a staggeringly big jump. [Because] 1984 was such a big year, for anyone to even compete with that massive level of spending is difficult."

The bad news for the magazine industry comes largely from outside influences. Although paper and printing costs seem to be stabilizing, postal rates are expected to increase. "We continue to be at the mercy of the Postal Service both for rates and efficiency," one executive says, "and we can't do anything but pay the bill."

There's more bad news from the racks. Declining newsstand

(Continued on Page 16)

Belinda Hulin-Salkin, ADVERTISING AGE's Philadelphia correspondent, examined the science category in last October's Special Report on magazines.

Unless otherwise noted, all circulation figures used in this Special Report represent total paid circulation as reported to Audit Bureau of Circulations for the six months ended June 30, 1985.

Viewing

(Continued from Page 15)

sales for magazines are a concern throughout the industry as publishers rely on the kindness of retailers for market penetration and display space.

"There have been some pretty dramatic losses in single-copy sales," says Michael Garavalia, newsstand sales manager for Advance Publications' Conde Nast subsidiary, New York. "And even if subscriptions go up, it's much more economical to have a newsstand sale than it is to get a new subscriber."

Mr. Garavalia says videocassette recorders are at least partly responsible for declining single-copy sales.

"There are at least 10 million vcrs out there, and people don't read while they're watching the vcr," he says. "The same people who buy publications are the ones buying vcrs. Even after people have bought the machine, they're renting and buying movies with money they might have spent on magazines."

According to the MPA, single-copy magazine sales dropped to a combined per issue average of 81.8 million for 473 magazines in 1984, down from a high of 92.8 million for only 372 titles in 1978. That 1984 figure represents a decline of 2 million from 1983.

David Lee, MPA vp, says the industry is working with distributors and retailers to reverse the trend; he says over-all circulation continues to grow.

Still, the industry's rack sales have declined 10% over the past five years, a fact Mr. Lee partially attributes to consumer price resistance. Magazine cover prices have increased 40%, on the average, over the same period.

In the same vein, the industry is suffering from a decline in multiple purchases. Consumers who once grabbed two or three magazines at the checkout counter now are reaching for only one.

To some extent, newsstand sales are a victim of increased subscriptions. "The industry has gotten very sophisticated at marketing subscriptions," Mr. Lee says. "As a result of direct mail techniques, large subscription agencies, direct marketing and tv ad support, the over-all public is buying more magazines than ever before... 312 million paid copies per issue in 1984."

Bucking newsstand trends, New York-based Family Media expects rack sales of *Ladies' Home Journal* to go up by 100,000 units in 1985, over the nearly 1 million sold in 1984. Michael Senior, the company's newsstands sales director, credits a strategic price-reduction campaign for the success.

"In November, 1982, we priced 25% of our newsstand copies at $1.19," Mr. Senior says. "We built up to 40% in May, 1983, and by 1984 all newsstand copies were $1.19. Just as slowly, we rolled the price back to $1.50, where it is today.

"It was our way of saying 'Try me, you'll like me.' "

According to Mr. Senior, Family Media did no advertising to support its price promotion.

"The purchaser that bought two or three magazines each month is gone," he says. "And when one-magazine shoppers saw *Ladies' Home Journal* at $1.19 and *McCall's* and other magazines priced higher, they bought us."

Mr. Senior says the company has seen no decline in sales since reinstating the old cover price. The experiment was so successful, the company is trying it on recently acquired *World Tennis* and *Savvy*.

Competitive pricing aside, magazines have to secure a place at the checkout counter or newsstand before they can catch a shopper's eye, and with the ever-increasing number of titles —estimated by the "Ayer Directory of Publications" at 11,090 for 1984—that can be difficult.

"The proliferation of titles bothers us," says Gay Bryant, editor of *Family Circle*, New York. "In the good old days it was us and *Woman's Day* at the checkout counter and that was it. These days there are as many as 30 other titles up there —along with razor blades and cookies.

"Instead of sitting back and waiting for a woman to spot us, we've got to really work to catch her eye."

Ms. Bryant says such seemingly unrelated magazines as *People* give *Family Circle* strong competition for discretionary dollars. In addition, magazines have fewer opportunities to entice shoppers. "Women used to average five trips to the store a week," she says. "Now they make one trip."

Changing consumer profiles and interests continue to contribute not only to magazine marketing, but also to the character of individual magazines. As the industry attempts to cash in on surfacing consumer passions, the number of narrowly focused magazines multiplies. Observers expect the trend toward specialized consumer titles to continue, possibly at the expense of more general-interest publications.

One relatively new tenet of the magazine industry is that every publication has its price. After the sale of The New Yorker Magazine Inc. to Advance Publications and Ziff-Davis Publishing's consumer titles to CBS, no company could be considered too elite or too large to be a candidate for sale.

"Mergers and acquisitions are a fact of life in business today, and not only in the magazine industry," says Peter Diamandis, president of CBS Magazines, New York. "You're going to be involved in one sometime in your life, so you might as well get ready.

"Magazine publishing is a tough business these days and size gives an economy of scale," he says, predicting that 1986 will be another tough year for the industry. "There's been a slowing of the total economy; it's a time of consolidation."

(However, Mr. Diamandis says that doesn't extend to CBS' own publications. Through its $362.5 million acquisition of 12 Ziff-Davis titles this year, CBS acquired several publications that directly compete with its own magazines. He says speculation that the company eventually will combine the competing books is off-base. "People don't seem to grasp the Procter & Gamble concept of marketing," he says. "Procter & Gamble has 18 soaps. They're not going to drop Tide just because they have 17 other brands.")

Outside the magazine industry, observers expect to see more title acquisitions in the coming months. "There are a lot of sellers who simply want to move on to other things," says Steven Rattner, vp at Morgan Stanley, New York.

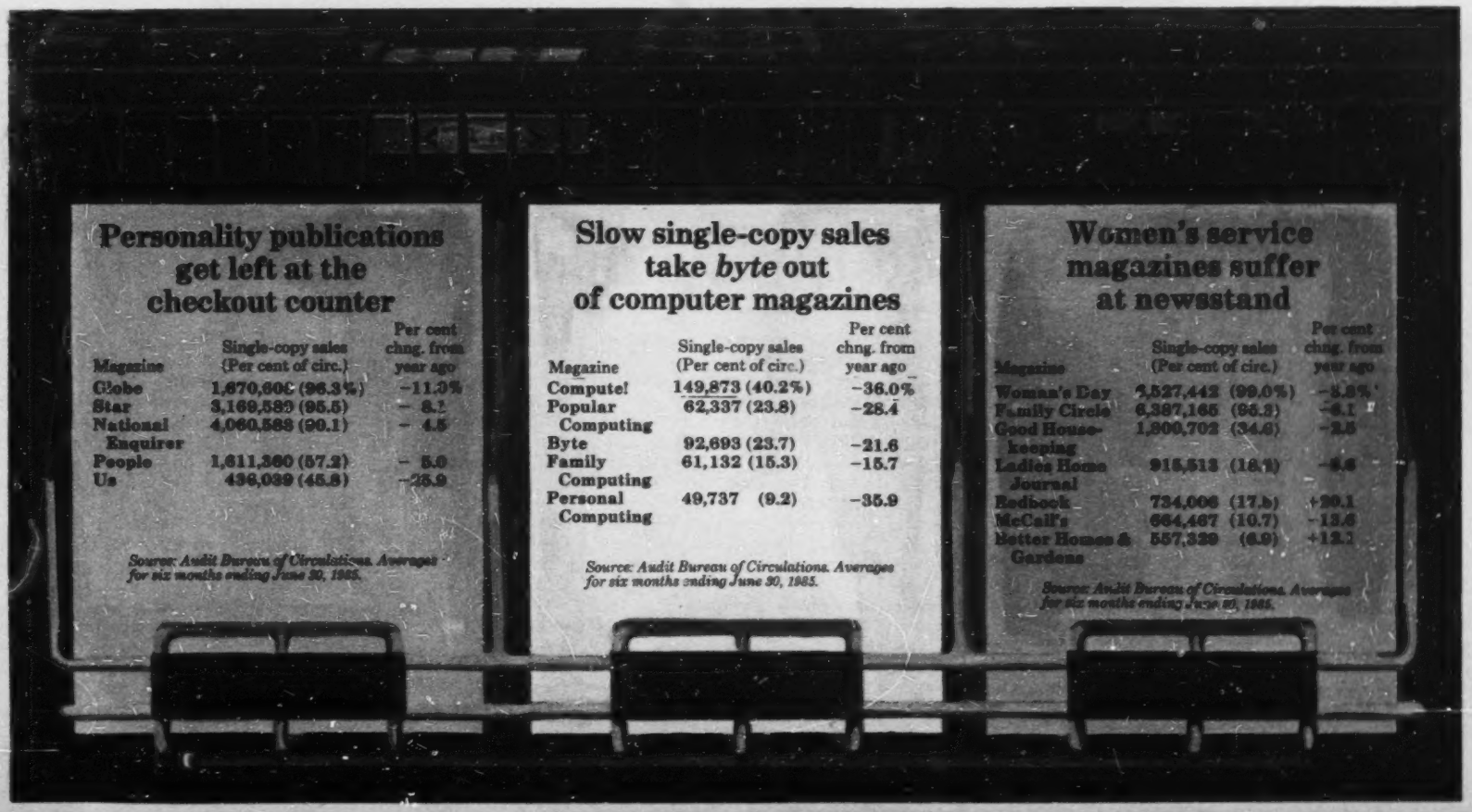
"The magazine industry has always been characterized by a lot of entrepreneurial companies, and at some point entrepreneurs often come to the conclusion that they want to get their money out and retire or do something else."

Mr. Rattner says the high prices magazines are commanding are tempting a lot of privately held publishing companies to sell. There is still a market for established magazines because, over-all, he says the industry is very healthy.

"The rate of growth of advertising over the last 30 years has been phenomenal, and that's what has fueled this industry," he says. "And the outlook is good because advertising is still going to grow as fast or faster than the [gross national product].

"There's no question that magazine advertising has been soft this year," he says. "But that's because things were so heady last year. And don't forget—this is an industry that views a year in which ad revenues increase 4% to be a disaster.

"The steel industry would love to have such a 'bad' year." ■


Personality publications get left at the checkout counter
Magazine | Single-copy sales (Per cent of circ.) | Per cent chng. from year ago
Globe | 1,670,606 (96.3%) | -11.3%
Star | 3,169,583 (95.5) | - 8.?
National Enquirer | 4,060,588 (90.1) | - 4.5
People | 1,611,360 (57.2) | - 5.0
Us | 436,039 (45.8) | -25.9
Source: Audit Bureau of Circulations. Averages for six months ending June 30, 1985.
Slow single-copy sales take byte out of computer magazines
Magazine | Single-copy sales (Per cent of circ.) | Per cent chng. from year ago
Compute! | 149,873 (40.2%) | -36.0%
Popular Computing | 62,337 (23.8) | -28.4
Byte | 92,693 (23.7) | -21.6
Family Computing | 61,132 (15.3) | -15.7
Personal Computing | 49,737 (9.2) | -35.9
Source: Audit Bureau of Circulations. Averages for six months ending June 30, 1985.
Women's service magazines suffer at newsstand
Magazine | Single-copy sales (Per cent of circ.) | Per cent chng. from year ago
Woman's Day | 2,527,442 (99.0%) | -8.8%
Family Circle | 6,397,165 (96.2) | -6.1
Good Housekeeping | 1,900,702 (34.6) | -2.5
Ladies Home Journal | 915,513 (18.1) | -6.6
Redbook | 734,006 (17.5) | +20.1
McCall's | 664,467 (10.7) | -13.6
Better Homes & Gardens | 557,329 (6.9) | +12.1
Source: Audit Bureau of Circulations. Averages for six months ending June 30, 1985.

Smithsonian builds on solid footing

By Van Wallach

Every year more than 30 million potential subscribers drop by *Smithsonian* magazine's headquarters to look around. But they don't visit some bland high rise. The offices are in the Smithsonian Institution, six huge museums lining the Mall in Washington.

Merchandising to these masses demands tact. A high-decibel push for subscriptions, or "memberships," would clash with the august image of the 139-year-old *Smithsonian*, which strives for "the increase and diffusion of knowledge among men" as an establishment chartered by the U.S. Congress. Executives at the magazine prefer caution over collar-grabbing amid the exhibits.

"We could do more marketing, but it must be done discreetly," publisher Joseph J. Bonsignore says. "We have counter displays in gift shops. We want to make our presence a little more known. There's a potential out there."

The museums register about 900 memberships a month from visitors. The $18 annual "national membership" includes book and gift discounts, entry into a dining room and reception center, and free admission to New York's Cooper-Hewitt Museum (part of the institution), as well as 12 issues of *Smithsonian*.

The magazine thrives on a rock-steady operational style that mirrors this marketing. Connoisseurs of back room intrigue should look elsewhere.

Mr. Bonsignore signed on as general manager in 1969, before the premiere April, 1970, issue, after 24 years at Time Inc. Thomas H. Black also joined then as advertising director/associate publisher, a position he still holds.

"The magazine has stayed incredibly consistent," Mr. Black says. "We've had two editors. Focus group interviewers try to get hints for change, but people say, 'Leave it alone.'"

Readers and advertisers like the stability. Circulation has soared from the initial 164,000 to 2,172,831. Ad pages increased 7.7% in 1984, to 1,012.4, according to the Publishers Information Bureau. Ad dollars rose 19.6%, to $30.7 million.

So far, 1985 looks strong, too; ad pages for the first six months of 1985 were 548.7, up from 523.8, according to the PIB.

Mr. Black characterizes *Smithsonian* as a magazine in search of a category. S. Dillon Ripley, the institution's secretary from 1964 to 1984, wanted a magazine to help diffuse knowledge. "We were a museum magazine and people saw us as old and stodgy," Mr. Black says.

Circulation came naturally, and in 1973 surpassed the initial expectation of 500,000. With growth came comparisons to *Harper's*, *Atlantic Monthly*, *The New Yorker* and *Saturday Review*. The current status, Mr. Black says, combines "quality-class" magazine demographics and editorial with newsweekly size.

According to a 1982 subscriber study conducted by Belknap Data Solutions Ltd., *Smithsonian* subscribers have a median age of 47.7 and median annual income of $39,000; 85.4% attended or graduated from college, 82% own homes, and 58% are male.

Smithsonian always has respected the intelligence and patience of its readers. The magazine offers leisurely reading on a mix of topics, covered at length with plentiful illustration.

The August issue featured 12 pages on New York's garment center (18 color photos) and other articles on innovative playgrounds, poison ivy and satellite repairs in space. Columns note institution activities, but the magazine doesn't dwell on in-house news.

"The institution covers everything and we do, too," Mr. Bonsignore says. "There will always be people who like to read, who will take their time to relax and look at something handsome. We don't compete with tv or radio or newspapers or vcrs. [Our readership] is a category of people who are armchair travelers, curious to do things at their own pace."

Taking a historical view, Mr. Black compares *Smithsonian* to general-interest magazines such as *Look* and *Life*. *Smithsonian* maintained its original vision while other magazines adopted narrower formats. This defied the logic of the times, but "the more educated people are, the more varied their interests," he says.

The demographics have led to a similarly eclectic mix on the ad side. With a median age pushing 50, it's not the hallowed yuppie audience—and that suits Mr. Black just fine. "The market never narrowed down to them," the 60-year-old Mr. Black says. What the audience lacks in youth it gains in purchasing power.

From *Smithsonian*'s viewpoint, education is the bond linking the consumers advertisers want to reach. Be the product yogurt machines, imported cars or exercise programs, "the whole *gestalt* flows out of the education market," Mr. Black says. "Educated men and women, both young and old, are linked by their talent, environment, and culture."

Smithsonian *offers a mix of topics covered at length and includes plentiful illustration.*

Several food advertisers signed on in the past year, including Stouffer Corp., Sara Lee Corp. and Dart & Kraft. Growth in national accounts counters the sharp drop in direct mail advertisers, down 60 pages last year as catalogs cut into the magazine's business. Pages are distributed among travel, auto, corporate, direct mail and liquor categories (no cigarets). Overall, *Smithsonian* gets advertising from 26 of 28 PIB categories, Mr. Black says—excluding tobacco products and industrial.

The institution soon will mount a new venture, *Air & Space* magazine, which has been given a possible April, 1986, launch date.

Inspired by the hugely popular National Air and Space Museum—housing Charles Lindbergh's Spirit of St. Louis, the Wright brothers' airplane and National Aeronautics & Space Administration spacecrafts—*Air & Space* would extend the museum's influence beyond visitors to a wider audience, says Paul A. Hanle, the museum's associate director for research and project manager.

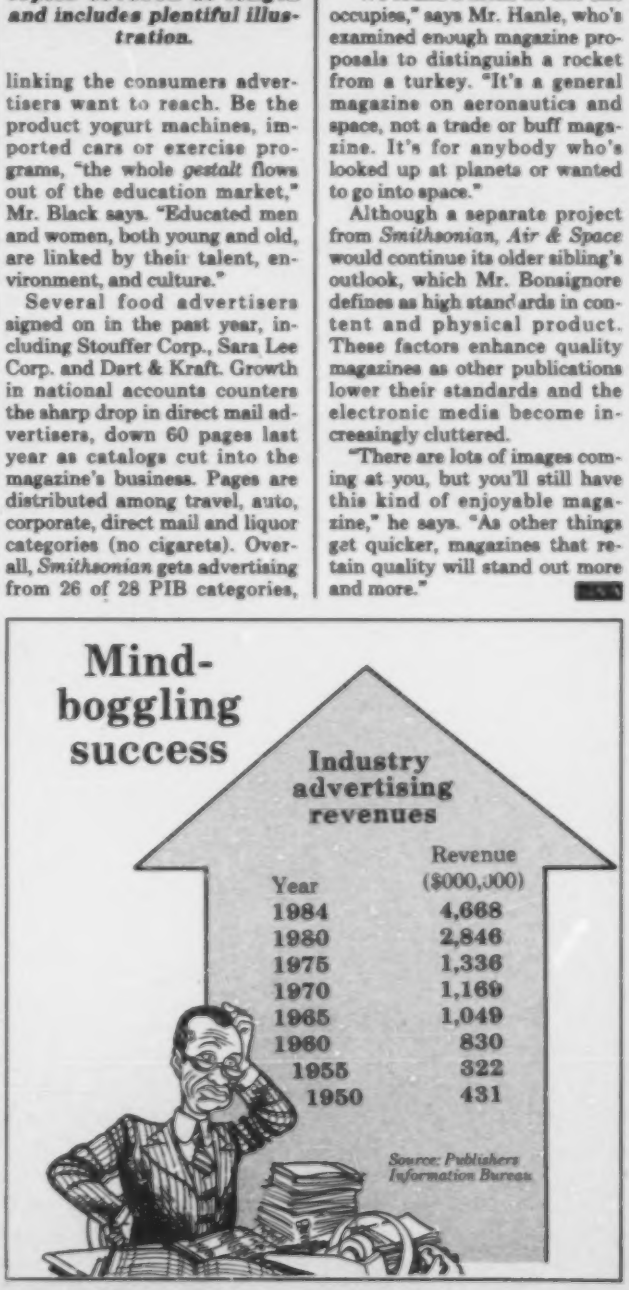
A test mailing to 250,000 readers of *Smithsonian* and 17 other magazines got an "extraordinarily favorable" response, Mr. Hanle says.

He says circulation conceivably would start near 200,000 and grow to 500,000. The magazine would seek a 50-50 mix of consumer and civilian aerospace advertising in a consumer-style editorial setting.

"We found a niche no one else occupies," says Mr. Hanle, who's examined enough magazine proposals to distinguish a rocket from a turkey. "It's a general magazine on aeronautics and space, not a trade or buff magazine. It's for anybody who's looked up at planets or wanted to go into space."

Although a separate project from *Smithsonian*, *Air & Space* would continue its older sibling's outlook, which Mr. Bonsignore defines as high standards in content and physical product. These factors enhance quality magazines as other publications lower their standards and the electronic media become increasingly cluttered.

"There are lots of images coming at you, but you'll still have this kind of enjoyable magazine," he says. "As other things get quicker, magazines that retain quality will stand out more and more."



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Tailoring medium to marketers' needs

By Gary Levin

Marketers have discovered it sometimes takes more than a good product, creative advertising and extensive media placement to foster brand loyalty. Not content with scattered exposures in mass media, many consumer product and service companies have created their own editorial environments by sponsoring customized magazines.

Custom magazines are nothing new in the airline industry, which has used its own in-flight magazines to capitalize on a captive audience. But following the success of magazines from companies as diverse as Polaroid Corp.; Sears, Roebuck & Co., and R.J. Reynolds Industries, others have joined the airline crowd with general-interest titles aimed at a potential or existing customer base. The custom publishing houses produce about 40 regularly published titles, excluding in-flight magazines, employe publications and one-shot issues.

R.J. Reynolds, for example, is the exclusive advertiser in *Moviegoer*, edited for the young film buff by Knoxville, Tenn.-based 13-30 Corp. and distributed free in hundreds of movie theaters nationwide. Polaroid, Sears and Martin-Senour Co. each have developed loyalty-building "clubs" for their customers, offering discounts on merchandise and exposing likely sales prospects to several pages of advertising each month. Wagner Spray Tech Corp. has developed *Time Off* for professional painters.

Building on the trend, new projects are in the works from American Honda Motor Co., Toys "R" Us and even Motherhood Maternity Shops.

"This is the ultimate segmented marketing tool," says Henry Fiola, vp-creative communications at Webb Co., St. Paul, Minn. "It's no more expensive than direct mail, but you wrap your message in credibility, with [the presence of] editorial content."

Advertisers often choose an editorial focus that complements their businesses, although some—such as R.J. Reynolds—publish magazines unrelated to their product lineups. Meredith Corp., Des Moines, Ia., edits and sells advertising in an annual *Pocket* magazine for Olin Corp., a maker of pool chemicals and supplies, in addition to Polaroid's *Instants* (a club magazine) and others.

Last month, Meredith, publisher of *Better Homes & Gardens* and other consumer titles, launched *Motherhood*, edited for expectant mothers and distributed in Motherhood Maternity Shops. The company also acquired two titles from rival Webb Co.: Farmers Insurance Group's monthly *Friendly Exchange* (circulation: 4.25 million) and Kampgrounds of America's annual KOA Directory.

R.J. Reynolds Industries is the exclusive advertiser in Moviegoer, distributed free in movie theaters.

Webb, once a leader in the in-flight market, produces many titles, including *Healthscenes* for local hospitals; *moneytalk*, customized for local banks and savings and loan associations; *AAA World*, which circulates 2 million copies to members of 13 regional American Automobile Assn. clubs, and a magazine for Kawasaki motorcycle owners. It plans soon to begin publishing a magazine for selected Honda automobile owners encouraging loyalty to Honda dealers' service departments.

Western Publishing Co., the Racine, Wis.-based publisher of Little Golden Books for children, is readying the launch of *Toys "R" Us* magazine, to be distributed at the toy retailer's stores. Edited for children, the title features puzzles and articles and includes ads from toy makers.

Most often, companies will approach publishers with an idea for a project, although sometimes a custom house will identify a marketing need.

Ad agencies are not always content to watch their clients' ad dollars shifted to media over which they have little control. "When you're spending a significant amount of an ad budget, there's a natural reluctance for agencies to have their hands tied," Mr. Fiola says.

Western Publishing Co.'s* Toys "R" Us *magazine will be distributed at the retailer's toy stores.

But publishers maintain that such magazines often serve clients' interests more effectively with less intrusive and more relevant messages.

"All of these publications do reach a target audience of their [sponsor] companies, even though it may not be exclusively users of that product," says Nick Glover, 13-30's president. "The idea is to reach an audience that has the highest propensity to use the product."

For R.J. Reynolds, the audience is the broad universe of moviegoers, but other companies target their readers more narrowly.

House of Seagram, for example, last fall began issuing *Tables*, a monthly magazine whose ultimate goal is to encourage restaurant waiters and bartenders to recommend and serve Seagram's distilled spirits. The October issue of the magazine includes 23 pages of Seagram advertising interspersed with articles on "America's best servers" and money-management techniques.

When starting a new custom project, Meredith's Mr. Benson says, "We ask potential clients, 'How would you like people to think about you in the future?' You have to get a platform or foundation on which you build an editorial premise, [because] if a magazine is not read by its recipients then it won't do its job."

Meredith Corp. edits and sells advertising in Polaroid Corp.'s* Instants *club magazine.

Although some magazines seek tangible results—product or magazine sales, for example—in other cases the job is advocacy of a particular view. New York-based Hearst Corp. recently published the first issue of *Philip Morris* magazine on behalf of the cigaret maker to dispel so-called myths about cigaret smoking.

Farmers Insurance Group's *Friendly Exchange* subtly injects its political perspective into occasional articles related to the industry, says Richard Pittenger, vp-pr at the Los Angeles-based company and publisher of its magazine. "We don't push [insurance] sales," he says. "We leave that to the agents."

Although many titles in the category accept ads only from a single sponsor, others—including *Friendly Exchange*—have found revenues from other advertisers essential in offsetting production costs.

Farmers Insurance spends about $5.5 million a year on *Friendly Exchange*, which at Webb offered color page ads for $20,000 and brought in annual ad revenues of $3.6 million. "We'd sure like to have it paid for [entirely by ads]," Mr. Pittenger says, but "we don't expect to break even—not by a long shot." Others discount the need for outside revenue, but offer space anyway because they want to make it look more like a real magazine, Meredith's Mr. Benson says.

From a pr standpoint, ad revenues are less important than good will and new or increased business generated by a well-written publication. "The success of a [custom] magazine has to be based on insurance renewals or new business, not on the success of advertising sales," Mr. Fiola says. "There's no way in custom publishing that an ad pays for anything more than the page on which it's published."

Indeed, it costs marketers anywhere from 40 cents to $1 per copy, including postage, for an average-size 32-page magazine that reaches more than 100,000 readers. Publishers normally take a commission on advertising sold through outside reps, although sometimes sponsors receive all ad revenues less sales expenses.

But because editorial success can't be measured by subscription renewals or newsstand sales, marketers believe the ultimate measure of a custom magazine's value is how readers respond to and become involved with the book.

"What makes a client happy with the publication is that the audience it's intended for is in fact reading the publication, that they like what they're reading and that they're spending time with it," Mr. Glover says. If that goal is achieved, he says, the rest—product sales—takes care of itself.

If you're a commercial photography buyer...
"Q" is the key to the photo studio that's best for you
Commercial photo studios that have earned the PPofA's prestigious "Qualified Photographic Studio" rating offer top-quality photographic services, business experience and dependability . . . backed by the Professional Photographers of America, Inc. They're a select group, yet members are located throughout the world.
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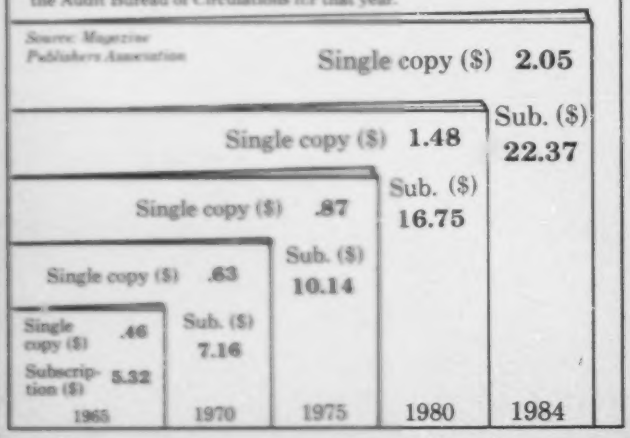
Next time, look for the

Cheaper by the subscription

The chart represents the average single copy and one-year subscription prices for the 50 leading magazines in advertising revenue as reported to the Audit Bureau of Circulations for that year.



Men's sophisticate titles feel circulation pinch

By Gary Levin

The market for men's magazines has grown skimpier lately, as trendsetting titles, such as *Playboy* and *Penthouse*, encounter rough times caused by life style changes and new competitors.

So far this year, total paid circulation of every major magazine in the politely termed "men's sophisticate" category has dropped—by as much as 22%—with newsstand sales declines leading the pack.

Although an over-all downward trend has hit the magazine industry, men's titles are perhaps most vulnerable to attack on several fronts.

In addition to the category's heavy dependence on newsstand sales, X-rated videocassettes have duplicated more graphic "girlie" magazine pictorials, forcing many publishers into producing soft-core "video magazines" or more explicit films themselves.

"The stark attraction of nudity is not what it used to be," says David Leibowitz, an analyst at American Securities, New York, who follows the magazine industry. "The battle lines are drawn, and these magazines now are going to have to survive and prosper based on editorial content and a unique product. Sex alone is not the answer."

Publishers of both *Playboy* and *Penthouse* blame a more conservative social environment on readership declines. *Playboy's* current 4,202,324 circulation is far below the 7.2 million it claimed at its peak in 1972. *Penthouse's* circulation, which peaked at 4,711,849 in 1979, now stands at 3,200,863.

Executives from both magazines say these circulation drops are in large part a result of boycotts by groups, such as the National Federation for Decency, that have lobbied to prevent distribution of the magazines at convenience stores. In addition, *Penthouse* last year was banned

Penthouse *publisher Bob Guccione says his magazine is "more sexual in parts ... because that's what our readers want."*

in Canada after a pictorial on women in bondage.

Playboy associate publisher Arthur Kretchmer says his magazine's circulation decline was a "marketing dilemma" attributable to increasing competition and changing mores. "*Playboy* definitely lost part of its franchise," he says. "It lived in a crystal palace," fostered by the mystique surrounding founder Hugh Hefner.

Illustrating what Mr. Kretchmer calls "intentional anachronisms" in the magazine today, Chicago-based *Playboy* has downplayed skin, instead focusing more on fiction, service features and other material that could be found as easily in *Esquire* or *Gentlemen's Quarterly*.

Although *Playboy* still contains such 1950s-era holdovers as Playboy Party Jokes, "we're trying to make the magazine more appropriate for the '80s and '90s than for the '60s and '70s," says Mr. Hefner, editor and publisher of the magazine as well as chairman of parent Playboy Enterprises.

As a step in that direction, *Playboy* last month unveiled its first perfect-bound issue, heralded as a collector's edition but editorially similar to previous issues. Mr. Hefner describes the move as "being something more .... It's a dramatic way of symbolizing change," he says, citing the product's fewer pictorials, shorter articles and gradual expansion of monthly columnists.

The October-dated *Playboy*, while replacing the navel-piercing staple with a perforated centerfold, also permits advertisers greater flexibility in using blow-in cards and bound inserts, Mr. Kretchmer says.

More arresting—but less revealing—cover designs are intended to boost sagging newsstand sales, which have resulted not only from changing values, but also from continued price increases: Both *Playboy's* and *Penthouse's* regular issues—excluding Christmas and anniversary editions—sell for $3.50.

Both editorial and design changes are aimed at making the magazine a more upscale, coffee-table product, Mr. Kretchmer

Publisher Hugh Hefner says* Playboy *is making changes to meet the demands of readers of the '80s and '90s.

says, and thus more acceptable to advertisers beyond *Playboy's* core group of alcohol, cigaret, car and stereo marketers.

In addition, Mr. Hefner says, these changes are designed to "move us away from other [men's] magazines, where the primary emphasis is sexual. But that doesn't mean the magazine is going to lose its personality." Instead, Mr. Kretchmer says, *Playboy* will refine its editorial voice and its use of cartoons to make both less outdated.

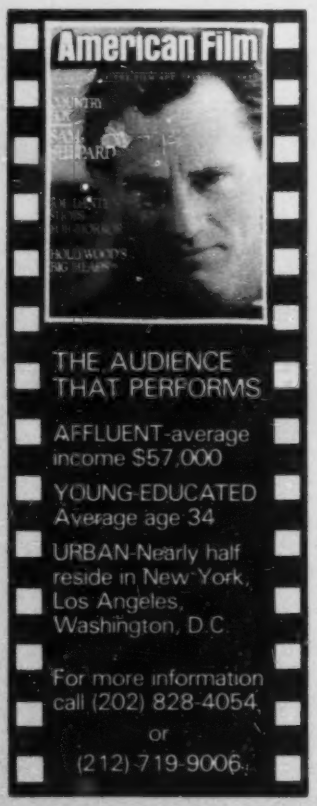
But *Penthouse* publisher Bob Guccione says his magazine "is more sexual in parts than *Playboy* because that's what our readers want. We haven't changed our mix as far as sex is concerned," he says, adding, however, that *Penthouse* has increased its investigative reporting and is now more politically minded.

The magazine, whose circulation includes nearly 3 million newsstand copies, has taken an opposite tack than *Playboy* by downplaying service journalism. It has done so, Mr. Guccione says, "because in my opinion they're just puffery for advertising that detracts from the credibility of the magazine's editorial content."

In an unusual move on the advertising side, Mr. Guccione last January began limiting ad space in *Penthouse* by increasing the editorial-ad ratio to 4 to 1. He says *Penthouse* now accepts only 30 ad pages for each regular issue and 50 pages for its larger January, September and December issues, a self-imposed limit Mr. Guccione says offers advertisers an "optimum window: They're not crushed between page after page of advertising."

Mr. Kretchmer, however, says this ad policy is merely a shield to hide the fact that *Penthouse* can't get ads.

Whether self-imposed or not, *Penthouse* sold only 274 ad pages in the first seven months of 1985, compared with 343.8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Teens

(Continued from Page 51)

the increase in working mothers, young women are merged in an ever greater arena of involvement. Changes in society dictate that we cover pertinent topics such as stepparents, sexual abuse and many other subjects."

A changing sexual attitude among teens has yielded various philosophies on dealing with the subject.

"We have an obligation to educate," *Seventeen's* Ms. Richardson says. "Forty years ago, in keeping with a moral code, navels were airbrushed out of a model. Within the last 10 years, we've been dealing with more serious, previously taboo subjects." For example, in 1977, the magazine introduced a Sex and Your Body column.

However, *Seventeen*, like *'Teen* and *YM*, will not accept birth control ads. "We don't run birth control advertising because we feel it is somewhat misleading," Ms. Richardson says.

Seventeen's publisher, Mr. Bunge, concurs.

"We have no plans to accept birth control advertising, but we do think the subject should be addressed editorially," he says.

'Teen's approach is similar to *Seventeen's*. In the late 1960s, the magazine began sex education articles, "one of the first to have the courage to do so," says publisher Robert MacLeod. "We cover the subject of sex in a clinical way."

Although *YM* also addresses serious, previously taboo subjects, teen age sex is an area it handles somewhat differently from its competitors.

"It's not our role to educate, but to guide them to organizations that are better equipped to do so," editor Ms. Schneider says. "We don't tell them 'don't have sex,' we give them information and let them make up their own mind."

However, *YM* considers birth control a hands-off subject. "We don't have articles on birth control because it would sound as though we're condoning teen age sex," she says.

"I think the other teen magazines that cover that subject felt pressured," she says. "We don't have enough space to cover that subject accurately, and I don't feel any magazine covers the topic of birth control properly."

Although each publication varies slightly in its over-all editorial philosophy, providing information remains a common denominator.

"We're very concerned and responsible about young America," Mr. MacLeod says. "Our editorial is more educational than entertaining."

Entertaining or not, *'Teen*, as well as *YM*, is not reaching the older segment of female teens. While Mr. MacLeod sings the praises of a pure teen readership, he admits *Seventeen* receives the bulk of teen advertising. "They certainly have a lot of business I'd like to see," he says.

While these three publications appear to co-exist peacefully, some in the industry question the absence of more rivals.

"I'd like to see more competition among teen magazines," says Stone Roberts, exec vp at SSC&B, New York, the agency for Noxell Corp., a predominant teen magazine advertiser.

Teen magazines and radio are the two most efficient vehicles for reaching a teen audience,

Working

(Continued from Page 51)

New York, has built her magazine around the same objective as *Self*—covering the multifaceted life style of today's woman in one magazine. Because 72% of its 1,093,590 readers work outside the home, *New Woman* also keeps a wary eye on *Savvy*, *Self* and *Working Woman*.

"Even *Savvy* and *Working Woman* have accepted the fact that the battle of the sexes is over," Ms. Miller says.

"Now it's time to move on and prove that women can not only handle the responsibilities of a job but a life outside of the office as well."

She says *New Woman* likes to think its readers "can have not only bank accounts, but orgasms, too."

during the same period of 1984. The 25% drop in ad pages was accompanied by a 6.2% decline in ad revenues, to $11.3 million, for the period. The magazine estimates it will finish the year with 410 ad pages sold, compared to 701 for all of 1984.

Playboy, following increased advertorial promotion activity, sold 519 pages from January to July, for revenues of $31.7 million, compared with 518.4 pages sold and revenues of $30.1 million in the first seven months of 1984. Through October, the magazine is up by barely a page over year-to-date 1984 figures.

Reflecting the summer firings of senior vp-ad director Charles Stentiford and two other top *Playboy* marketing executives, Mr. Kretchmer says such promotional activity will be de-emphasized in the future (AA, July 29). He since has replaced Mr. Stentiford with Saul Stone, a former vp-group publisher at Ziff-Davis Publishing Co., New York (AA, Sept. 23).

Other magazines in the category, including *Club*, *Genesis*, *High Society* and *Hustler*, survive mainly on mail-order advertising for adult films and sex toys despite declining circulation.

Hustler, published in Los Angeles by Larry Flynt Publishing, temporarily has been suspended by the Audit Bureau of Circulations, although it probably ranks third in the category, behind *Playboy* and *Penthouse*, in terms of circulation.

Club's 407,000 paid circulation makes it the largest of the other currently audited sex magazines.

Meanwhile, with both soft-core and more explicit videocassettes readily available, publishers have challenged the relatively recent soft-porn video upstarts with cable and video projects of their own. But the Playboy Channel, launched in November, 1982, has not been received well by local cable operators, whose subscribers and local governments have resisted such adult programing.

Mr. Guccione says Playboy Enterprises' cable problems are deterring a similar attempt by New York-based Penthouse International. Both magazine publishers, however, sell videotapes through outside distributors with varying success rates.

Penthouse, capitalizing on what Mr. Guccione terms a more visual orientation among readers, has launched *Newlook*, an unusual monthly hybrid of *Penthouse* and a newsweekly that has juxtaposed pictorials of nude women with news photos. The title is an American version of an existing French pictorial magazine.

Observers say the future of the men's sophisticate category depends not on corporate diversification, but on such publishing events as *Penthouse's* pictorial on former Miss America, Vanessa Williams, which sold 5 million copies in four days, according to the magazine.

More recently, the *Playboy-Penthouse* skirmish over photos of pop singer Madonna resulted in issues of both magazines hitting the newsstands within hours of one another and weeks earlier than scheduled.

The competition generated heavy publicity in the mass media and at least temporarily boosted newsstand sales of both magazines.

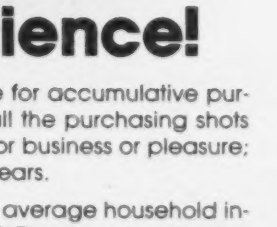
Who will be the next celebrity revealed? Neither publisher will say, but both promise more events are soon to come.

Circulation Squeeze

Changes in circulation for men's sophisticate magazines

Magazine	Single-copy sales (Per cent of total circulation)		Per cent change from June, 1984
Cheri	278,686	(100%)	-22.1
Genesis	228,174	(98.9)	-22.1
Gallery	445,644	(95.3)	-5.2
Penthouse	2,976,000	(93.0)	-1.0
Forum	347,594	(92.5)	-15.7
Playboy	1,559,887	(37.9)	-18.3

Source: Audit Bureau of Circulations. Averages for six months ending June 30, 1985.



Mr. Roberts says. However, many products require a visual message, which eliminates the use of radio. "If you look at the first 20 pages of each publication [*Teen*, *YM* and *Seventeen*] you see a tremendous amount of duplication among advertisers." However, *Seventeen* garners similar advertisers and then some, according to Mr. Roberts.

"They seem to be getting greedy," he says. "*Seventeen* has so much clutter that it's become a concern that our message gets lost."

Although the magazine's average advertising-editorial ratio for 1985 is 55% to 45%, publisher Mr. Bunge cites a 1984 Starch Adnorms Report from Starch INRA Hooper, Mamaroneck, N.Y., that ranked *Seventeen* No. 1 in over-all ad awareness.

"With young readers, every ad is an adventure. They read every single line of it," he says.

Nevertheless, Mr. Roberts questions the limited print media available to target teens.

"Maybe this [need for higher visibility] will present a situation for a fourth power."

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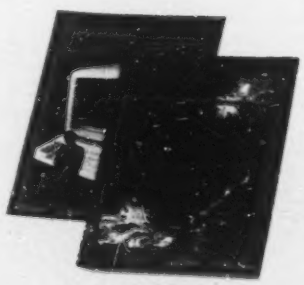

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